

§ 1620.4

29 CFR Ch. XIV (7–1–14 Edition)

§ 1620.4 “Closely related” and “directly essential” activities.

An employee is engaged in the production of goods for interstate or foreign commerce within the meaning of the FLSA even if the employee's work is not an actual and direct part of such production, so long as the employee is engaged in a process or occupation which is “closely related” and “directly essential” to it. This is true whether the employee is employed by the producer of the goods or by someone else who provides goods or services to the producer. Typical of employees covered under these principles are computer operators, bookkeepers, stenographers, clerks, accountants, and auditors and other office and whitecollar workers, and employees doing payroll, timekeeping, and time study work for the producer of goods; employees in the personnel, labor relations, employee benefits, safety and health, advertising, promotion, and public relations activities of the producing enterprise; work instructors for the producers; employees maintaining, servicing, repairing or improving the buildings, machinery, equipment, vehicles or other facilities used in the production of goods for commerce, and such custodial and productive employees as watchmen, guards, firemen, patrolmen, caretakers, stockroom workers and warehousemen; and transportation workers bringing supplies, materials, or equipment to the producer's premises, removing waste materials therefrom, or transporting materials or other goods, or performing such other transportation activities, as the needs of production may require. These examples are illustrative, rather than exhaustive, of the employees who are “engaged in the production of goods for commerce” by reason of performing activities closely related and directly essential to such production.

§ 1620.5 What goods are considered as “produced for commerce.”

Goods (as defined in section 3(i) of the FLSA) are “produced for commerce” if they are “produced, manufactured, mined, handled or in any other manner worked on” in any State for sale, trade, transportation, transmission, shipment, or delivery, to any

place outside thereof. Goods are produced for commerce where the producer intends, hopes, expects, or has reason to believe that the goods or any unsegregated part of them will move (in the same or in an altered form or as a part of ingredient of other goods) in interstate or foreign commerce. If such movement of the goods in commerce can reasonably be anticipated by the producer when the goods are produced, it makes no difference whether the producer or the person to whom the goods are transferred puts the goods in interstate or foreign commerce. The fact that goods do move in interstate or foreign commerce is strong evidence that the producer intended, hoped, expected, or had reason to believe that they would so move. Goods may also be produced “for commerce” where they are to be used within the State and not transported in any form across State lines. This is true where the goods are used to serve the needs of the instrumentalities or facilities by which interstate or foreign commerce is carried on within the State. For examples, see 29 CFR 776.20.

§ 1620.6 Coverage is not based on amount of covered activity.

The FLSA makes no distinction as to the percentage, volume, or amount of activities of either the employee or the employer which constitute engaged in commerce or in the production of goods for commerce. Every employee whose activities in commerce or in the production of goods for commerce, even though small in amount, are regular and recurring, is considered “engaged in commerce or in the production of goods for commerce”.

§ 1620.7 “Enterprise” coverage.

(a) The terms “enterprise” and “enterprise engaged in commerce or in the production of goods for commerce” are defined in subsections 3(r) and 3(s) of the FLSA. Under the enterprise concept, if a business is an “enterprise engaged in commerce or in the production of goods for commerce,” every employee employed in such enterprise or by such enterprise is within the coverage of the EPA unless specifically exempted in the FLSA, regardless of